



Total and Temporary Disability

Purpose

The Total and Temporary disability income insurance scheme, also known as TTD - is an insured scheme which pays a member a regular monthly income to compensate for the loss of earnings during a member's temporary and total disablement.

Qualification Criteria

A total monthly premium must exceed **R4 500**

Investment strategy

As appropriate strategic asset allocation is key to achieving the objectives of the fund, much emphasis is placed on this. The strategic asset allocation most likely to deliver returns in line with inflation is determined using quantitative modelling and fundamental processes. Once the strategic asset allocation has been determined, tactical deviations from the strategic asset allocation are implemented to take advantage of opportunities in the market and enhance returns. Downside volatility is specifically managed through appropriate protection strategies. Proprietary quantitative stock selection models are used to generate alpha on market returns.

Risk profile

The portfolio's risk profile can be classified as Low to Moderate.

Qualification criteria

A minimum investment is R2 000 000.

Investment process and methodology

Asset allocation The strategic asset allocation most likely to deliver returns in line with inflation is determined using quantitative modelling and fundamental processes. Once the strategic asset allocation has been determined, tactical deviations from the strategic asset allocation are implemented to take advantage of opportunities in the market and enhance returns. Downside volatility is specifically managed through appropriate protection strategies. Proprietary quantitative stock selection models are used to generate alpha on market returns.

Investment fees The fee consist of fixed and performance components. The fee is:

0.40% pa of first R50m
plus 0.35% pa of next R200m
plus 0.30% pa of next R250m
plus 0.25% pa of next R500m
plus 0.20% pa of excess over R1bn
plus 20% of out-performance of benchmark (subject to a maximum of 1.50% pa)

Operational procedures

Portfolio administration The portfolio is unitised. Unit prices are calculated daily. Cash flows are invested / disinvested daily. The same unit price is used for investments and disinvestments, ie no bid-offer spread.

Fee calculations The fixed fee is calculated based on the daily fund balance and deducted on the second last business day of the each month. The fixed fees are automatically disinvested from the portfolio through the cancellation of units.

The performance fee is calculated annually in January of each year for the preceding year. The performance fee is deducted from the client's account at the end of February.

Reporting

The following reporting is done:

- Investment statement: Monthly by the 7th working day
- SARB asset allocation report: Quarterly by the end of the month following the quarter-end
- Audit certificate: On request
- Regulation 28 compliance: On request
- Asset allocation for annual financial statements: On request